

16.1 CERTIFICATION - Bonus
C-483 Tom Joe Lease (74b) (B-11-19)

503080703

Records in the National Archives & Records
Administration, Rocky Mountain Region
Administrative Operations

PC NO. _____

Non-Hand

**Records in the National Archives & Records
Administration, Rocky Mountain Region
Archival Operations**

RG No. 434 General Records of the
Dept. of Energy

Atomic Energy Comm.

Certification Bonus Case Files

File C-483 Tom Joe

NR6-434-99-207 (FRL 434-95-0100, Box 15)

TO

Charles A. Rasor, Chief, Development Branch
Mining Division, GJ

August 3, 1954

FROM

Edgar B. Butts, Mining Engineer
Mining Division, Grants, New Mexico

CERTIFICATION OF THE TOM JOE LEASE, MESA 4 $\frac{1}{2}$, LUKACHUKAI MOUNTAIN MINING
DISTRICT, APACHE COUNTY, ARIZONA

Symbol: MD:EBB

Abstract:

The plot, containing 95 acres more or less, was granted by the Navajo Indian Agency. It is not on withdrawn land.

The plot has been surveyed and mapped and the mining permit No. 57 is on file at the Navajo Indian Agency, Window Rock, Arizona.

The lease is well staked and tied.

The property is currently being operated by the Navajo Uranium Division of Kerr-McGee Oil Industries, Inc. No ore was sold before February 28, 1951.

It is recommended that this section of the Navajo Indian Reservation, as covered by mining permit No. 57, be certified for bonus payments.

Introduction:

The application for certification dated April 22, 1954, and signed by M. F. Bolton, Resident Manager, Cortez, Colorado, was received May 21, 1954. The property was examined on June 22, 1954, in the presence of a Company representative.

Status of the Land:

The mining permit No. 57 for the Tom Joe Lease, Mesa 4 $\frac{1}{2}$, was granted by the Navajo Indian Agency, Window Rock, Arizona, and approved on February 16, 1954. A description of the lease, a sketch and tie as shown on the attached sheet, is on file at the Indian Agency and is a part of the mining permit granted to the lessor.

The description of the lease is as follows:

Beginning at corner No. 1, a 2" iron pipe driven in the ground, which is also corner No. 3 Dan Phillips' lease Mesa No. 5, whose co-ordinates are N 112,524.33 E 197,915.37; whence thence thence thence, a U.S.G.S. triangulation station.

OFFICE ▶	MD station, bears S 51° 32' 04" E, 19,609.08';				
SURNAME ▶	Butts/lm	Ren			
DATE ▶	8/3/54	6/3/54			

August 3, 1954

thence N 68° 32' 32" W, 2,122.97' to corner No. 2, a 2" iron pipe driven in the ground, whose co-ordinates are N. 113,320.14 E. 195,947.19, which is also corner No. 2 Dan Phillips' lease Mewa No. 5; thence N. 12° 00' 00" W, 1,680.0' to corner No. 3, a 2" iron pipe driven in the ground, whose co-ordinates are N. 114,963.43 E. 195,597.92'; thence S 61° 00' 00" W, 600.0' to corner No. 4, whose co-ordinates are N. 114,672.54 E. 195,073.15; thence due S 2,700.0' to corner No. 5, a 2" iron pipe driven in the ground, whose co-ordinates are N. 111,972.54 E. 195,073.15; thence S 79° 00' 00" E, 2,880.0' along the north boundary of Frank Nachinbetah No. 1 claim to corner No. 6, a 2" iron pipe driven in the ground, whose co-ordinates are N. 111,423.01 E. 197,900.24, said corner being common with the NE corner of Frank Nachinbetah No. 1 claim; thence N 55° 00' 00" W, 1,700.0' to corner No. 7, a 2" iron pipe driven in the ground, whose co-ordinates are N. 112,398.02 E. 196,507.68; thence N 84° 52' 00" E, 1,413.0' to corner No. 1 and point of beginning, containing approximately 94.81 acres located in Apache County, Arizona. All co-ordinates, bearings and distances are based on U. S. AEC data as established by U. S. Coast and Geodetic Survey.

The property can be reached by following the gravel road from Highway 666 to Core, then take the new truck road for 4.8 miles to the mine.

Ownership:

The mining permit for the Tom Joe Lease, Mesa 4 $\frac{1}{2}$, was granted by the Navajo Indian Agency to Tom Joe on July 11, 1952. On February 16, 1954, the Navajo Indian Agency approved of the assignment of the permit to Navajo Uranium Division of Kerr-McGee Oil Industries, Inc., lessee. Pertinent terms of the lease and assignment are:

1. The assignee being a nonIndian, will be required to develop the said mining permit in the amount of \$10.00 per acre per year.
2. Bond of \$1,000.00 to the United States of America.
3. Pay \$1.00 an acre in advance as advance royalty.
4. Pay or cause to be paid to the Navajo Tribe, any and all royalties and/or bonuses at the time and amounts or percentages set forth and acquired by the terms of said permit and paragraph four of Advisory Committee Resolution No. ACS-80-51 and amendment No. ACM-5-52 for and on account of any and all ore mined, produced and sold from the premises.
5. The assignee agrees to pay or cause to be paid to the assignor an over-riding royalty of not less than two (2%) percent or more than five (5%) percent on all ores produced and sold from the premises.
6. Assignee further agrees to pay or cause to be paid to the assignor as additional over-riding royalty of five (5%) percent of any bonus paid by the United States Atomic Energy Commission for the production of uranium ore from said premises.
7. Labor - shall be Navajos when qualified.

August 3, 1954

8. It is further understood and agreed that assignee shall not reassign this agreement.

Production:

The Grand Junction Finance Division records show no production prior to February 28, 1951.

If certified, the property would be eligible for bonus payment on 10,000 pounds of U_3O_8 .

Recommendations:

It is recommended that the ground covered by the Tom Joe Lease, as a whole, be certified for bonus payments.

cc: Edgar B. Butts, Grants, New Mexico
cc: E. R. Gordon

Name of Claim Tom Joe Claim No. 1. Parcel No. 1

Formation Salt Wash

Predominate Ore Mineral Type Carnotite

Vanadium 1.25 %

Lime 8.00 %

Mining Classification A

Metallurgical Classification A

Accessibility B (4 0.07)

How Located Ground reconnaissance

How Developed Tunnel

Drilling Depth 90 - 350'

Average Thickness of Ore 3.0'

Tonnage Estimate 20,000

Type of Operation Underground

Type of Loading and Hauling Hand load - Mech. trammer

Type of Mechanical Equipment Air

Number of Men Employed 10.

Average Monthly Production 250

Number of Months Able to Operate 12

Private Drilling: Footage 14,000' AEC 1500'

Type Rotary

Reserves Developed 11,900

Operating Remarks Room and pillar mining - stulls with head boards when necessary. Three ore horizons, haulage level, 12 and 20 feet above. Ore spotty and approximately 25% is sorted out to get grade of \pm 0.40%. Should be a medium sized producer.

5. Ore accepted by commission ore-buying stations or qualified uranium mills (or any other uranium ore processing plants) from property between April 9, 1948 and February 28, 1951 inclusive: None

I certify to the best of my knowledge that (1) the statements in this application are true and that (2) the total quantity of uranium oxide as contained in ore accepted by commission ore-buying stations or qualified uranium mills (or any other uranium ore processing plants) from the above described property between April 9, 1948 and February 28, 1951 inclusive, is less than 10,000 pounds.

(Date)

M. F. BOLTON, ^(Signature of applicant) Resident Manager

Misrepresentations or false statements in the application may subject the applicant to criminal penalties, under provisions of the United States Code including section 1001 of title 18. Any such offense may also disqualify the offender from receiving bonus payments.

(When completed mail to U. S. Atomic Energy Commission, Colorado Raw Materials Office, P. O. Box 270, Grand Junction, Colo.)

16-67545-1 U. S. GOVERNMENT PRINTING OFFICE

SPACE BELOW FOR USE BY APPLICANT, IF NECESSARY

Applicant's name and AEC license number, name of mining property (Item 1), and data listed under Item 5 are in accordance with CEMO Finance Branch records, except;

1. There is a record of License No. P-1152 issued to Navajo Uranium Division of Kerr-McGee Oil Industries, Inc. for U. S. Dept. of Interior Ind. #8666 & 8667.
2. There is no record of production between April 9, 1948 thru Feb. 28, 1951.


D. B. Hutto, Auditor

TOM JOE NO. 1

Mesa 4½

Beginning at corner No. 1, a 2" iron pipe driven in the ground, which is also corner No. 3 Dan Phillips' lease Mesa No. 5, whose coordinates are N 112,524.33 E 197,915.37; whence, Luka, a U.S.G.S. triangulation station, bears S 51° 32' 04" E 19,609.08'; thence N 68° 32' 32" W 2122.97' to corner No. 2, a 2" iron pipe driven in the ground, whose coordinates are N 113,320.14 E 195,947.19, which is also corner No. 2 Dan Phillips' lease Mesa No. 5; thence N 12° 00' 00" W 1680.0' to corner No. 3, a 2" iron pipe driven in the ground, whose coordinates are N 114,963.43 E 195,597.92; thence, S 61° 00' 00" W 600.0' to corner No. 4 whose coordinates are N 114,672.54 E 195,073.15; thence due South 2700.0' to corner No. 5, a 2" iron pipe driven in the ground, whose coordinates are N 111,972.54 E 195,073.15; thence S 79° 00' 00" E 2880.0' along the North boundary of Frank Nachinbetah No. 1 claim to corner No. 6, a 2" iron pipe driven in the ground, whose coordinates are N 111,423.01 E 197,900.24, said corner being common with the N. E. corner of Frank Nachinbetah No. 1 claim; thence N 55° 00' 00" W 1700.0 to corner No. 7, a 2" iron pipe driven in the ground whose coordinates are N 112,398.02 E 196,507.68; thence N 84° 52' 00" E 1413.0' to corner No. 1 and point of beginning, containing approximately 94.81 acres, located in Apache County, Arizona. All coordinates, bearings and distances are based on U.S.A.S.C. data, as established by U. S. Coast & Geodetic Survey.



TOM JOE

NO. 1.

PERMIT

94.81 AC. ±

SCALE 1" = 500'

N 12-00-00 W
1680.0'

N 113, 320.14
E 195, 947.19

SOUTH
2700.0'

N 113,000

N 68-32-32 W
2122.97'

N 112, 398.02
E 196, 507.68

N 112, 524.33
E 197, 915.37

N 84-52-00 E
1413.0'

N 111, 972.54
E 195, 073.15

S 79-00-00 E
2880.0'

N 55-00-00 W
1700.0'

N 111, 423.01
E 197, 900.24

MAC

KERR-MCGEE OIL
OKLAHOMA CITY, OKLA.

APR 20 1954



E 195,000

N

TOM JOE
NON.
PERMIT
94.81 AC. ±
SCALE 1"=500'

N114,963.43
E195,597.92

3

N000-00-00W
0000.9
S61-19-19E
4

N114,572.54
E195,073.15

N12-00-00W
1680.0

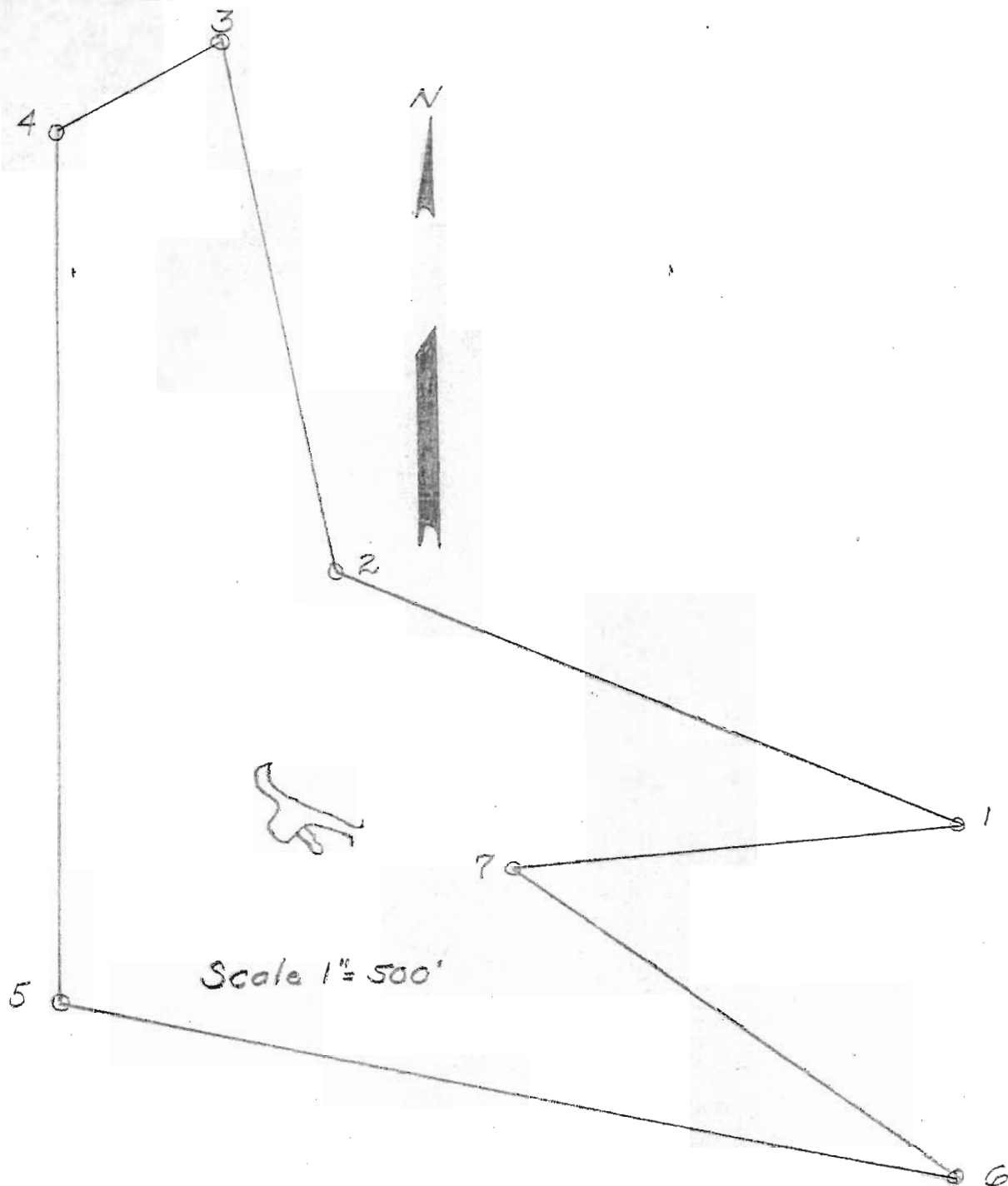
N113,320.14
E195,947.19

2

SOUTH
2700.0'

N113,000

N68-32-32W
2122.97



Tom Joe Lease No. 1
Lukachukari Mountains Mining District
Apache County, Arizona

E.B.B.

Edgar B. Butts, Mining Engineer
Mining Division, Grants, New Mexico

May 20, 1954

T. Toren, Mining Engineer
Mining Division, GJ

APPLICATION FOR CERTIFICATION ON TOM JOE MINING PERMIT, APACHE COUNTY, ARIZONA

Symbol: MD:TT

Attached is the following application for certification for your action:

Tom Joe Mining Permit, Mesa 4 $\frac{1}{2}$, Navajo Tribal Permit #57 -
Navajo Uranium Division of Kerr-McGee Oil Industries, Inc.

KERR-MCGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608, SHIPROCK, NEW MEXICO

me
April 22, 1954

U. S. Atomic Energy Commission
Colorado Raw Materials Office
P. O. Box 270
Grand Junction, Colorado

Gentlemen:

In accordance with the provisions of Domestic Uranium Circular No. 6, application is hereby submitted for Certification of Mining Property, Navajo Tribal Mining Permit No. 57, Tom Joe No. 1, Lukachukai Mountains, Apache County, Arizona.

Application, together with description and plat of the property, is enclosed herewith.

Our district office has recently been moved from Cortez, Colorado to the plant site at Shiprock, New Mexico, and it is requested that your examining engineer call at our Shiprock office, in order to be accompanied to the mining location.

Yours very truly,

M. F. Bolton

M. F. Bolton
Resident Manager

MFB/bf

encls.

KERMAC

MD:TT

August 24, 1954

"RETURN TO MINING DIVISION"

Navajo Uranium Division
Kerr-McGee Oil Industries, Inc.
Box 608
Shiprock, New Mexico

Re: CERTIFICATION OF TOM JOE LEASE, MESA 4¹, NAVAJO INDIAN RESERVATION,
SHIPROCK MINING DISTRICT, APACHE COUNTY, ARIZONA

Gentlemen:

Your application for certification of your mining property has been examined
by our engineers.

The property as certified consists of the following lands as listed in our
engineer's report; namely:

Tom Joe Mining Permit No. 57

Beginning at corner No. 1, a 2" iron pipe driven in the ground, which
is also corner No. 3 Dan Phillips' lease Mesa No. 5, whose co-ordinates
are N 112,524.33 E, 197,915.37; whence Luka, a U.S.G.S. triangulation
station, bears S 51° 32' 04" E, 19,609.08'; thence N 68° 32' 32" W,
2,122.97' to corner No. 2, a 2" iron pipe driven in the ground, whose
co-ordinates are N. 113,320.14 E. 195,947.19, which is also corner No.
2 Dan Phillips' lease Mesa No. 5; thence N. 12° 00' 00" W, 1,680.0' to
corner No. 3, a 2" iron pipe driven in the ground, whose co-ordinates
are N. 114,963.43 E. 195,597.92'; thence S 61° 00' 00" W, 600.0' to
corner No. 4, whose co-ordinates are N. 114,672.54 E. 195,073.15; thence
due S. 2,700.0' to corner No. 5, a 2" iron pipe driven in the ground,
whose co-ordinates are N. 111,972.54 E. 195,073.15; thence S 79° 00' 00"
E, 2,880.0' along the north boundary of Frank Nachinbetah No. 1 claim
to corner No. 6, a 2" iron pipe driven in the ground, whose co-ordinates
are N. 111,423.01 E. 197,900.24, said corner being common with the NE
corner of Frank Nachinbetah No. 1 claim; thence N 55° 00' 00" W, 1,700.0'
to corner No. 7, a 2" iron pipe driven in the ground, whose co-ordinates
are N. 112,398.02 E. 196,507.68; thence N 84° 52' 00" E, 1,413.0' to
corner No. 1 and point of beginning, containing approximately 94.81
acres located in Apache County, Arizona. All co-ordinates and bearings
and distances are based on U. S. AEC data as established by U. S. Coast
and Geodetic Survey.

OFFICE ▶	MD	MD	MD	MD	
SURNAME ▶	Toren/lm	Hill	Toole	Youngberg	
DATE ▶	8/25/54	8/25/54	8/25/54	8/25/54	

August 25, 1954

The above lands lie on Mesa 4 $\frac{1}{2}$, Lukachukai Mountains, Navajo Indian Reservation, Shiprock Mining District, Apache County, Arizona.

The certification number you will use in making application for bonus payment is D.U.P.C6-C-483. Several copies of an Application for Bonus Payment form are enclosed for listing each month's production since March 1, 1951.

As there have been no pounds of U_3O_8 produced between April 9, 1948, and February 28, 1951, inclusive, 10,000 pounds of U_3O_8 are eligible for bonus payments when contained in ores mined from this property and delivered to a qualified mill or Commission ore buying station between March 1, 1951, and February 28, 1957, inclusive.

Very truly yours,

Elton A. Youngberg
Acting Director
Mining Division

Enclosures:
AEC-300 (4 sets)

cc: D. B. Hutto
cc: Edgar B. Butts, Grants, N.M.
cc: G. Warren Spaulding
P. O. Box 1260, Gallup, N.M.



Charles A. Rasor, Chief, Development Branch,
Mining Division, Grand Junction Operations Office
John X. Combo, Attorney, Office of Counsel,
Grand Junction Operations Office

August 19, 1954

CERTIFICATION OF THE TOM JOE LEASE, MESA 4½, LUKACHUKAI MOUNTAIN
MINING DISTRICT, APACHE COUNTY, ARIZONA

SYMBOL: OC:JXC

On the basis of the engineer's report and attachment, there appears to be no legal objection to certification of this property. Mr. Toren advises that the attachment to the report indicates the property is in production.

Enclosure:
Engineer's report w/attachment

CC: D. F. Pelan

OFFICE ▶	OC					
SURNAME ▶	Combo:ls					
DATE ▶	8/19/54					

C-483

Office Memorandum • UNITED STATES GOVERNMENT

TO : C. I. Gardner, Acting Chief
Ore Reserves Branch, ED, GJ

THRU : E. A. Youngberg, Acting Director, MD, GJ

FROM : Edgar B. Butts, Mining Engineer *E.B.B.*
Mining Division, Grants, New Mexico

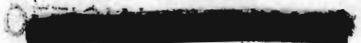
DATE: August 31, 1954

SUBJECT: CERTIFICATION OF THE TOM JOE LEASE, MESA 4 $\frac{1}{2}$, LUKACHUKIA MOUNTAINS
MINING DISTRICT, APACHE COUNTY, ARIZONA

The figure of 19,000 tons "reserves developed" was given by the engineering department of the Navajo Uranium Division.

The figure of 20,000 "tonnage estimate" was the potential tonnage reserves and was made by myself. I think they are still drilling and my tonnage estimate should prove to be low.

ccf



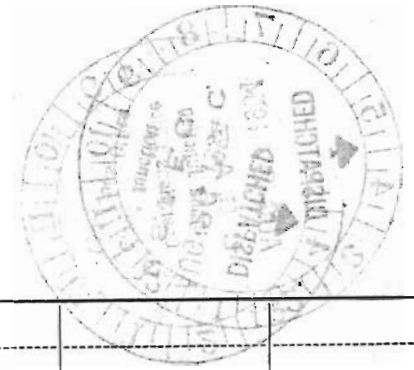
August 26, 1954

THRU : E. B. Butts, Mining Engineer, MD
Grants, New Mexico
E. A. Youngberg, Acting Director, MD, GJ
C. I. Gardner, Acting Chief
Ore Reserves Branch, ED, GJ

CERTIFICATION OF THE TOM JOE LEASE, MESA 4 $\frac{1}{2}$, LUKACHUKAI MOUNTAIN
MINING DISTRICT, APACHE COUNTY, ARIZONA

SYMBOL: ED:CIG

In your report, subject above, you show the "tonnage estimate" as 20,000, and under the paragraph "private drilling" you show "reserves developed - 11,900." Would you please elaborate a little on these figures. Under what category would they fall, that is, indicated, inferred, or potential, and is this your estimate or the estimate of the claim owner?



OFFICE ▶	Ore Reserves	Adminis.	Director	Mining		
SURNAME ▶	Gardner: sr. <i>CH</i>	<i>Mark</i>	<i>Joe</i>	<i>Youngberg</i>		
DATE ▶	8/26/54	<i>8/26</i>	<i>8-26</i>	<i>7-26-54</i>		

C-483

OFFICIAL USE ONLY

C. I. Gardner, Acting Chief
Ore Reserves Branch, ED, GJ

September 15, 1954

Edgar B. Butts, Mining Engineer
Mining Division, Grants New Mexico

CERTIFICATION OF THE TOM JOE LEASE, MESA 4 $\frac{1}{2}$, LUKACHUKIA MOUNTAINS
MINING DISTRICT, APACHE COUNTY, ARIZONA

The figure of 19,000 tons "reserves developed" was given by the engineering department of the Navajo Uranium Division.

The figure of 20,000 "tonnage estimate" was the potential tonnage reserves and was made by myself. I think they are still drilling and my tonnage estimate should prove to be low.

OFFICIAL USE ONLY

OFFICE ▶	MD	MD				
SURNAME ▶	Butts: ltn	Youngberg				
DATE ▶	9/15/54	9/18				

Kerr-McGee Oil Industries, Inc.
MD:DPH

August 20, 1956

August 20, 1956

Description	Lbs. orig.	Eligible balance
Kerr-McGee Oil Industries, Inc.		as of 7-29-56
P. O. Box 608		
Shiprock, New Mexico		
Parcel No. 1 Tom Joe	15,250.00	None
Parcel No. 57		

- 1/ Re CERTIFICATIONS IN LUKACHUKAI MOUNTAINS, NOS. 149, 155, 156, 158, 424, 433, 606, 773, (APPLICATION NOS. 1337, 1338, 1339, 1340). 200.00
as of 7-29-56
- 2/ No. 93
- Gentlemen:

- 2/ Reference is made to your applications dated February 28, 1956 requesting a re-evaluation of the method of certifying properties under your control in the Lukachukai Mountains, Shiprock Mining District, Apache County, Arizona. Our engineers have completed an investigation of the entire certification unit structure. The unit structure as now established is as follows:

Cert. No.	Description of Unit	Lbs. orig. cert. eligible	Eligible balance as of 7/20/56
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DUP C6-C-149	Parcel No. 2, Dan Phillips Lease No. 8666	3,556.83	None
DUP C6-C-155	Parcel No. 1, Dan Phillips Lease No. 8666	8,554.73	None

2/ This is a new unit not previously certified. Parcel No. 1, None Phillips Lease No. 8666, David Phillips Permit were prior to this action, included in the unit certified under D.U.C. C6-C-424.

DUP C6-C-158	Parcel No. 2, Koley Black Lease No. 8667	8,554.72	8,440.66
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DUP C6-C-424	Parcel No. 3, (Sometimes known as Parcel Nos. 4 & 3) Koley Black Lease No. 8667	10,000.00	6,019.81
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Your attention is directed to the fact that the Commission's decision is final. It is intended to be our final decision. The unit structure may be amended at any time. The units are as shown above.

Enclosed herewith are several Application for Bonus forms for your use in applying for bonus.

Very truly yours,

C O P Y

See DUP C6-C-149

C O P Y

R. H. Young
Leasing & Development Branch
Mining Division

C O P Y

See DUP C6-C-149

C O P Y

August 20, 1956

Cert. No.	Description of Unit	Lbs. orig. cert. eligible	Eligible balance as of 7-20-56
DUP C6-C-483	Parcel No. 1 Tom Joe Permit No. 57	10,000.00	None
1/ DUP C6-C-606 as amended	Parcel Nos. 3,4,&5 Henry Phillips Permit No. 93	10,000.00	10,000.00
2/ DUP C6-C-773	Parcel No. 1 Dan Phillips Estate, Permit No. 150 Parcel Nos. 1,2,3,4,&5 David Phillips, Permit No. 21	10,000.00	10,000.00
3/ Ineligible Unit	Parcel No. 1 Koley Black Permit No. 8667 Parcel Nos. 2 & 3, Dan Phillips Estate Permit No. 150	0.00	0.00

1/ This unit was originally certified on October 12, 1955, to consist of Parcel Nos. 4 & 5, Henry Phillips Permit No. 93; Parcel No. 1, David Phillips Permit No. 21; and Parcel No. 1, Dan Phillips Estate, Permit No. 150. The action hereby being taken amends the unit as shown above.

2/ This is a new unit not previously certified. Parcel No. 1, Dan Phillips Estate, Permit No. 150 and Parcel No. 1, David Phillips Permit were prior to this action, included in the unit certified under D.U.P. C6-C-606.

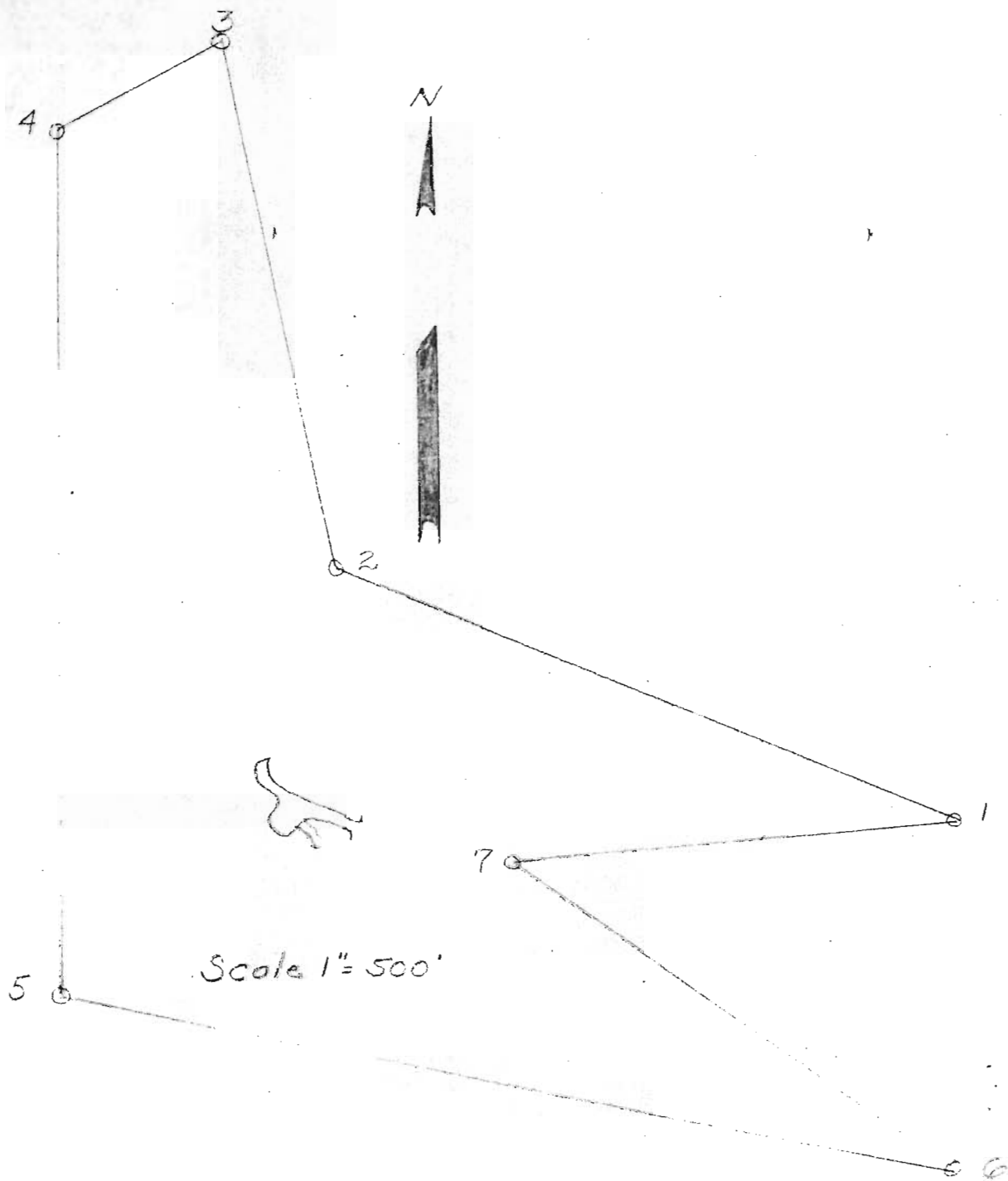
3/ This is a unit considered to be ineligible for certification because it produced in excess of 10,000 pounds of U3O8 between April 9, 1948 and February 28, 1951.

Your attention is invited to paragraph (h) of Circular 6 which points that the Commissions decision on these matters is final. This is intended to be our final decision with respect to these tracts, except that the units may be amended to include new tracts.

Enclosed herewith are several "Application for Bonus Payment" forms for your use in applying for bonus.

Very truly yours,

R. H. Toole, Chief
Leasing & Development Branch
Mining Division



Tom Joe Lease No. 1
Lukachukari Mountains Mining District
Apache County, Arizona

E. E. E.

C-483 Mesa $4\frac{1}{2}$ (Kerr McGee)

Engineer: Presley

Visited: 9/13/55

Bonus on this property was exhausted prior to June 1955, and the mine was idle at the time of visit. Workings are very extensive, with a timbered adit and haulageway. Haulage drift was under the ore and raises were driven to the ore horizon. Room and pillar stopes were very large. A few pillars remained. Back was sound and pillars could be extracted if they find ore.

PAID-OUT CERTIFICATION

Certification No. C - 483 Tom Joe Lease

All eligible production bonus on this certification has been paid.

Per notification from Finance Division dated April 30, 1956.

DO NOT DESTROY THIS DOCUMENT.

*5.9 Official
Files*

TO Don R. Hill, Chief, Development Section
Leasing & Development Branch, PED, GJ00
THRU : E. W. Grutt, Jr., Chief, Grants Branch, PED
FROM A. J. Speal, Geological Engineer
Grants Branch, PED

June 4, 1959

CERTIFICATION OF THE GEORGE SIMPSON (181) CLAIM, SHIPROCK MINING DISTRICT, APACHE COUNTY, ARIZONA (APPLICATION NO. B-1746).

SYMBOL: PGR:AJS:kg

Abstract

The above captioned claim consists of 50 acres more or less located on unsurveyed land of the Navajo Indian Reservation in the Lukachukai Mountain locality. It was granted to George Simpson as Navajo Tribal Mining Permit No. 181 and assigned to Kerr-McGee Oil Industries, Inc.

The applicant, Kerr-McGee, also controls the contiguous Tom Joe (Mesa 4 $\frac{1}{2}$) claim and Dan Phillips No. 3 claim, which were certified as C-483 and C-156 respectively.

Initial production from the claim was achieved during the second quarter of 1957. There is no record of any critical period production from the property. The mine produced 994 tons @ .23% U₃O₈ before being closed during 1958.

The George Simpson (181) mining claim is recommended for inclusion in C - 483, the Tom Joe (Mesa 4 $\frac{1}{2}$) claim. C - 483 has depleted the bonus allowance.

Introduction

Application No. B-1746 was received on May 14, 1958, from Kerr-McGee Oil Industries, Incorporated, Kerr-McGee Building, Oklahoma City, Oklahoma. The applicant requested certification of the George Simpson No. 181 mining claim.

The property was examined on October 21, 1958, by R. K. Nestler and A. J. Speal. They were accompanied by William Stevens, Mine Engineer for Kerr-McGee Oil Industries, Incorporated. At that time some doubt existed as to which were the proper claim corners. The claim was consequently resurveyed and re-examined by A.J. Speal on March 25, 1959, at which time the claim corners could be identified. Mr. Stevens was also present during this second examination.

OFFICE	Geol. Eng.	O. R. Sect.	Chief	PED	PED
SUPERVISOR	Speal	Gay	Grutt	Ciesiel	Toole
DATE	6/4/59	6/5/59		6/9/59	6/11/59

June 4, 1959

Status of the Land

The claim is located approximately in unsurveyed Section 8, T. 36 N., R. 29 E., G. & S.R.P.M., in the Lukachukai Mountains locality of the Shiprock mining district, Apache County, Arizona.

The mine can be reached from the south end of the bridge at Shiprock, New Mexico, by proceeding in the following manner:

<u>Accumulative Mileage</u>	<u>Direction</u>
0.0	South on U. S. 666
6.8	Turn right on Cove-Red Rock (dirt) road
29.8	Take right fork
30.2	Take left fork
43.0	Kerr-McGee office at Cove
43.2	Continue west (straight)
44.6	Take right fork
46.9	Take left fork
47.5	Take left fork
47.6	Take sharp left turn
47.8	Arrive at mine adit on Tom Joe Claim

The claim and mine workings have been surveyed and mapped by company personnel. All corners are in place and properly marked. The Frank No. 1 claim (C-237) and Cove Auxiliary Triangulation Station were used as survey references. There are several discrepancies involved in the description of the various certified properties adjacent to the subject property. The author is of the opinion that the attached map represents the properties as they exist on the ground and is of sufficient accuracy for certification purposes.

Ownership

The George Simpson mining claim consists of 50 acres more or less of Navajo Indian Reservation land granted to George Simpson as Tribal Mining Permit No. 181. This permit was approved by the Tribal Council and the Bureau of Indian Affairs on September 20, 1954.

The permit was subsequently renewed to September 20, 1958.

Assignment of Permit No. 181 to the Navajo Uranium Division of Kerr-McGee Oil Industries, Inc. was approved by the Tribal Council and the Bureau of Indian Affairs on January 2, 1957.

Don R. Hill

June 4, 1959

The permit and assignment are subject to the standard terms and conditions of the Navajo Tribe and the Office of Indian Affairs. This information is filed in the Tribal records at the Office of Realty, Window Rock, Arizona.

Kerr-McGee's assignment was in effect at the time of initial production, which consisted of 28 tons @ .20% U_3O_8 shipped to the Shiprock mill during the second quarter of 1957. Kerr-McGee made this shipment.

As assignee on the property, Kerr-McGee is entitled to apply for bonus certification.

The applicant also holds the assignment on the adjacent Tom Joe claim (C-483) and the assignment on the Dan Phillips No. 3 claim (C-156) which lies 900 feet to the east of the George Simpson claim.

George Simpson also holds the permit on the George Simpson No. 1 which borders the George Simpson (181) claim on the south. The assignment on the George Simpson No. 1 is held by Capital-Seaboard.

Production

The deposit was discovered by private surface prospecting. The Atomic Energy Commission later drilled 5 holes on the property, of which 2 intersected the deposit. Kerr-McGee drilled 11,000 feet (rotary) in 29 holes. This drilling delineated a deposit which subsequently yielded 994 tons @ 0.23% U_3O_8 .

At the time of examination the deposit had already been mined out. Mining was conducted by extending the adit driven to mine the ore on the Tom Joe (Mesa 42) mine about 40 feet to the ore zone. A room and pillar mining method with hand-mucking and mule-tramming was used. Four men were employed and produced about 100 tons per month on a one shift per day basis.

The ore was a carnotite, high vanadium, low lime type and occurred in the Salt Wash member of the Morrison formation. Average thickness of the ore was 5.0 feet and average depth was 330 feet.

Haulage to the Shiprock mill, a distance of 46 miles, was by truck.

Total mining cost was reported as \$20.00 per ton.

The Finance Division reports no production from the property during the critical period; therefore, if certified, the property would be eligible for bonus payments on the initial 10,000 pounds of U_3O_8 produced.

Don R. Hill

June 4, 1959

Recommendation

The George Simpson claim is part of a group of contiguous locations held by Kerr-McGee. Mining operations on the claim constitute a mere expansion of the operations on the Tom Joe claim (C-483), using the same equipment, personnel and development workings.

Initial production from the Tom Joe claim was achieved during the second quarter of 1954, at which time the applicant did not control the George Simpson claim. On the date of initial production from the George Simpson claim (2nd quarter 1957) the applicant also held the Tom Joe Claim.

Although Sec. 60.6 (g)(3)(v) of Circular 6 states:

"Consolidation or merger of contiguous mining properties on or after March 1, 1951 (for which the date of initial production is substituted), will not affect the eligibility of the separate properties . . ."

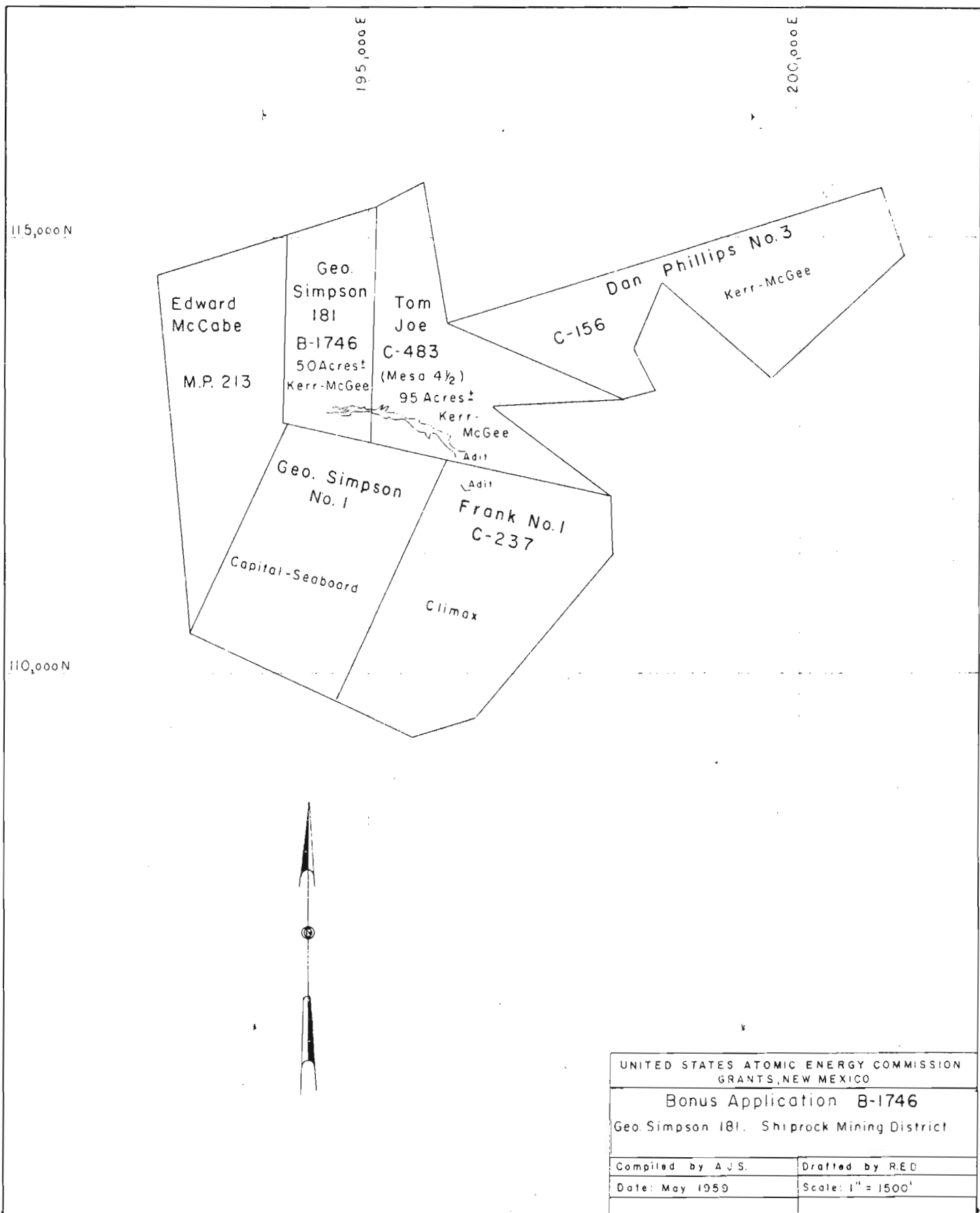
It also states in Sec. 60.6 (g)(3)(v1)

"Since the above criteria are merely guides to assist the Commission in its decisions . . ." and . . . "technical compliance with all the above criteria will not necessarily make a property eligible."

It is the opinion of the author that the mining operations on the George Simpson No. 181 were a normal expansion of the operations on the Tom Joe (Mesa 4) claim, and that consideration of the two claims as a single unit of mining property would be in accord with the purpose and intent of Circular 6.

It is therefore recommended that the George Simpson claim, as outlined in Navajo Tribal Mining Permit No. 181 and its subsequent assignment to Kerr-McGee Industries, be included in Certification No. 483 (Tom Joe Lease).

Certification No. 483 has depleted the full bonus allowance.



5. Ore accepted by commission ore-buying stations or qualified uranium mills (or any other uranium ore processing plants) from property between April 9, 1948 and February 28, 1951 inclusive:

Total number of pounds U_3O_8	5,177.59
---------------------------------	----------

May 12, 1958 (Date)

Jack R. London (Signature of applicant)

(When completed mail to U. S. Atomic Energy Commission, Colorado Raw Materials Office, P. O. Box 270, Grand Junction, Colo.)

SPACE BELOW FOR USE BY APPLICANT, IF NECESSARY

DESCRIPTION

Beginning at Corner No. 1, whence Corner No. 2
Frank No. 1 bears about S 79E 900' (From Corner 2,
Frank No. 1 Cove Auxiliary bears N 55-56-20E
13922.9')

Thence N. 0 degrees W. 2000' to Corner 2
Thence N. 79 degrees W. approximately 1048' to Corner 3
Thence S. 0 degrees E. approximately 2000' to Corner 4
Thence S. 79 degrees E. approximately 1048' to Corner 1,
the point of beginning, which amended plot will contain 50 acres,
more or less.



PLD:DRH

May 26, 1958

Kerr-McGee Oil Industries, Inc.
Kerr-McGee Building
Oklahoma City, Oklahoma

Re: APPLICATION FOR CERTIFICATION OF THE GEORGE SIMPSON #181
(APPLICATION NO. 1746)

Gentlemen:

This will acknowledge receipt of your application for certification of the following property:

George Simpson #181, Shiprock Mining District,
Apache County, Arizona

You will hear from us in the near future when our investigation of your application will commence.

Very truly yours,

R. H. Toole, Chief
Leasing & Development Branch
Production Evaluation Division

Enclosure:
Circular 6

Eugene W. Grutt, Chief
Grants Branch, PED

May 29, 1958

Don R. Hill, Chief, Development Section,
Leasing & Development Branch, PED, GJ

APPLICATION NO. 1746 - GEORGE SIMPSON #181

SYMBOL: PLD:DRH

Attached is the captioned application transmitted for investigation
and preparation of report by your staff.

Attachments:
As above

RECEIVED
MAY 29 1958
U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

OFFICE ▶	PED <i>Don R. Hill</i>	PED <i>Toole</i>				
SURNAME ▶	HILL, DR	TOOLE				
DATE ▶	5/29/58	5/29/58				

Memo - 8-1
KERR-McGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608, SHIPROCK, NEW MEXICO

A. J. Speer

USAEC

Milan Station

GRANTS, New Mexico

Ally:

Enclosed is a sketch of the Simpson
Claim on Mesa 4 1/2 near Cove Arizona. After more
surveying it appears we were on the right track
but didn't go far enough.

Also the information you were waiting for your
report: -

Simpson #181 does not have an Ann^{#1} or Ann^{#2}

Pay mileage from the mine to Shiprock was 46 miles

Mining cost has been estimated at approximately \$20.00/ton

This claim has been surveyed and relocated

KERMAC

OCT 31 1958

KERR-MCGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608. SHIPROCK, NEW MEXICO

And is ready for you or Ron's inspection.
If more information is desired let me
or Jack Landon know.

Thank you Much -

Bill Stinson

Kerr-McGee Oil Ind Inc

APPROXIMATELY 50 ACRES

EDWARD HILL
SOUTH AREA

TOM JOE P#57

NORTH APPROX 2000'

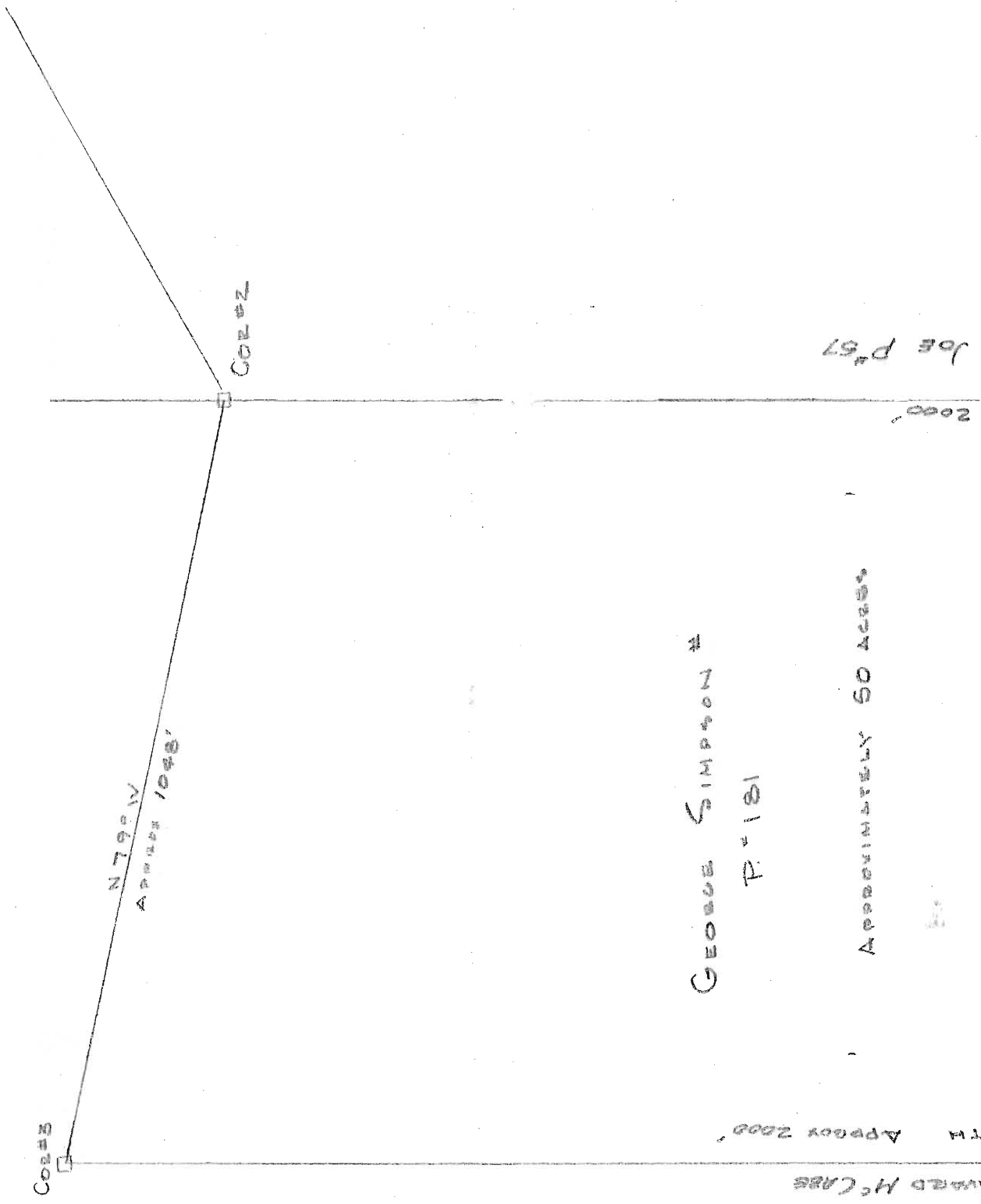
CORNER #4

S 79° E
APPROX 1048'

CORNER #1 TO CORNER #1 CORNER #2-900'
S 79° E

GEORGE SIMPSON
CLAIM #1 (C)

LEE & MCGEE OIL & GAS INC
GEORGE SIMPSON P.181
Scale 1"=200'
Dated 10/27/58



GEORGE SIMPSON #

P#181

APPROXIMATELY 60 ACRES

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
P. O. Box 2038, Milan Station
Grants, New Mexico
October 8, 1958

PCR:AJS:kg

Mr. Jack D. Landon, Mine Superintendent
Kerr-McGee Oil Industries Inc.
Oklahoma City, Oklahoma

Dear Mr. Landon:

Reference is made to your application for bonus certification
on the George Simpson 181 Mine (Circular 6 Application No. 1746).

I would like to examine the property on Tuesday, October 21,
at 9:00 A.M. Please have a representative of your organization
meet me at the Cove Day School at that time to accompany me on the
examination.

The examination will be expedited if your representative is
equipped with a map of the property, preferably showing the location
of workings.

If these arrangements are inconvenient, please notify me prior
to the scheduled date and alternate plans will be made.

Sincerely yours,

A. J. Speal, Geological Engineer
Grants Branch
Production Evaluation Division

CC: Shiprock, New Mexico - Landon
David D. Baker
Don R. Mill
A. J. Speal(2)

OFFICE >	Geol. Eng.	O. R. Sect.	Chief			
SURNAME >	Speal	Gay	Speal			
DATE >	10/8/58	10/8/58	10/8/58			

FROM: Don R. Hill, Chief Development Section, Leasing & Development Branch		DATE OF DOCUMENT: 5/29/58		DATE RECEIVED 6/5/58		NO.:	
		LTR. X		MEMO:		REPORT: OTHER: Appl.	
TO: E. W. Grutt, Jr., Chief Grants Branch		ORIG.: X		CC:		OTHER:	
		REPLY NECESSARY <input checked="" type="checkbox"/>		DATE ANSWERED:		BY:	
		NO REPLY NECESSARY <input type="checkbox"/>					
CLASSIFICATION: POST OFFICE un REG. NO.:		FILE CODE:		D.U.P.C 6 - Appli. No. 1746			
		Info. & publ. 5-2		George Simpson #181			
DESCRIPTION: (Must Be Unclassified), Trans Application for Certification of Mining Property George Simpson 181		REFERRED TO		DATE		RECEIVED BY	
		EWC		6/5			
		HDW		6/5			
ENCLOSURES:		GAY		6/5		J. W. B. 6/6	
		To Gay for action -					
		By					
REMARKS:							

**CERTIFICATION OF PRODUCTION RECORD
APPLICATION FOR CERTIFICATION**

Application No. 1746

Name of Mining Property: George Simpson #181

Name of Applicant: Kerr-McGee Oil Industries, Inc.

1. There (~~is~~) (is not) a record of production for the period April 9, 1948 through February 28, 1951.

Shipper	Name of Mine	District	County	State	Purch. Depot	Date	Ore Dry Tons	U308 Pounds

Shipments to Shattuck Chemical Co., Denver, Colorado

Name of Shipper	Date	Pounds U308

Total Pounds U308 _____

2. There (~~has~~) (has not) been production from this property for the period March 1, 1951 through the month of March, 1958, however there has been production from Simpson #181.

Delbert B. Hutto
Delbert B. Hutto,

Production checked by Catherine Martin.

Date forwarded to Mining Division 5/20/58.

XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX
Grants Branch
P. O. Box 2038, Milan Station
Grants, New Mexico
January 30, 1959

PCR:AJS:ff

Mr. Bill Stevens
Kerr-McGee Oil Industries, Inc.,
P. O. Box 608
Shiprock, New Mexico

Dear Bill:

I expect to be in the Shiprock area during the week of February 2nd. If it is convenient to you, and the property is accessible, I would like to re-examine the Simpson Claim (bonus application B-1746) on the morning of Wednesday, February 4th. I will arrive at your office in Cove at about 8:30 A.M.

If these arrangements are inconvenient or if the property is inaccessible, I will postpone the re-examination until my next trip into the area.

Very truly yours,

A. J. Speal, Geological Engineer
Grants Branch
Production Evaluation Division

OFFICE	Ore Res. & Min. Div.	Chief		
SURNAME	Gay:ff	Speal	Gay	Gratt
DATE	1/30/59	1/30	1-30	

XXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX
Grants Branch
P. O. Box 2038, Milan Station
Grants, New Mexico
March 18, 1959

PCR:AJS:ff

Mr. Bill Stevens
Kerr-McGee Oil Industries, Inc.,
P. O. Box 608
Shiprock, New Mexico

Dear Bill:

I expect to be in the Shiprock area during the week of March 23. If it is convenient to you, and the property is accessible, I would like to re-examine the Simpson Claim (bonus application B-1746) on the morning of Wednesday, March 25. I will arrive at your office in Cove at about 9:00 A.M.

If these arrangements are inconvenient or if the property is inaccessible, I will postpone the re-examination until my next trip into the area. I expect to check in at the Natami-Woz Lodge in Shiprock on Monday evening, in case you wish to leave a message or contact me.

Very truly yours,

A. J. Speal, Geological Engineer
Grants Branch
Production Evaluation Division

CC:
D.R.Hill, PED
O&P

Min. Act. Section	Chief			
Gay:ff <i>Gay</i>	<i>Gay</i>			
3/18/59	<i>3-18</i>			

R. H. Toole, Chief, Leasing & Development
Branch, PED, GJ

July 7, 1959

John X. Combo, Attorney
Office of Chief Counsel, GJ

CERTIFICATION OF THE GEORGE SIMPSON (181) CLAIM, SHIPROCK MINING
DISTRICT, APACHE COUNTY, ARIZONA (APPLICATION NO. B-1746)

SYMBOL: OC:JXC

On the basis of the engineer's report, there is no legal
objection to denial of certification of this property, by
its inclusion in C-483, a paid-out unit.

Attachment
Engineer's report

OFFICE ▶	OC					
SURNAME ▶	Combo:rel					
DATE ▶	7-7-59					

PID:REC

July 9, 1959

Kerr-McGee Oil Industries, Inc.
Kerr-McGee Building
Oklahoma City, Oklahoma

Re: AMENDMENT TO CERTIFICATION NO. D.U.P.-C-483, APACHE COUNTY,
ARIZONA, (APPLICATION NO. 1746)

Gentlemen:

Reference is made to your application dated May 12, 1958, requesting certification of the George Simpson No. 181 for bonus payments under the provisions of Domestic Uranium Program Circular 6.

Your application has been investigated by our engineers and the following observations made:

- (1) The Tom Joe Lease, Mesa 4 $\frac{1}{2}$, Apache County, Arizona was certified on August 24, 1954 as a unit eligible to receive bonus and assigned Certification Number D.U.P.-C-483.
- (2) The George Simpson No. 181 is contiguous with the above certified unit and under the same operational control.

We have determined that the mining operation on the George Simpson tract is the result of normal expansion of the operations on the Tom Joe tract. Therefore we are amending Certification No. D.U.P.-C-483 to include the following described property:

Tom Joe Lease, Mesa 4 $\frac{1}{2}$, as described in Navajo Tribal Mining Permit No. 57.

George Simpson No. 181 as described in Navajo Tribal Mining Permit No. 181.

The above property is situated approximately in unsurveyed Section 8, T 36 N, R 29 E, GASHBEN, Shiprock Mining District, PRR, Apache County, ARIZONA.

OFFICE	PED <i>Ciesler</i>	PED <i>Toole</i>				
SURNAME	Ciesler	Toole				
DATE	7/10/59	7/13/59				

Kerr-McGee Oil Industries, Inc.

-2-

July 9, 1959

Our records show the unit, as amended, to have no pounds of U_3O_8 eligible to receive bonus. All eligible production on this certification has been paid.

Very truly yours,

R. H. Toole, Chief
Leasing & Development Branch
Production Evaluation Division

cc: Bureau of Indian Affairs
Grants Branch
D. B. Hutto, FD
Ore Reserves, POR, FED
RFCiesiel, PLD, FED